APPENDIX

The applicable portions of the California Unemployment Insurance Act (Chap. 352, Stats. of 1935, as amended) are as follows:

Sec. 6.5. "Employment," subject to the other provisions of this act, means service, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, express or implied.

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Sec. 7. The term "employment" does not include:

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(g) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

Sec. 37. (a) On and after January 1, 1936, contributions to the unemployment fund shall accrue and become payable by every employer for each calendar year in which he is subject to this act, with respect to wages paid for employment occurring during the calendar year 1936 and upon wages payable during subsequent calendar years; provided, however, that if and when the taxes payable under Title IX of the Federal Social Security Act (or the corresponding provisions of the Internal Revenue Code, or any other Federal act into which such tax now is or hereafter may be incorporated) become pay-

able on a basis of "wages paid" rather than "wages payable," then as of that time the contributions due hereunder shall thereafter be upon wages paid. Such contributions shall become due and be paid to the commission for the unemployment fund by each employer in accordance with such regulations as the commission may prescribe, and shall not be deducted in whole or in part, from the wages of individuals in his employ.

(b) In the payment of any contributions, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

Sec. 38. Every such employer shall pay into the unemployment fund contributions equal to the following amounts:

(a) During the year 1936, with respect to payments of wages made during that year, ninety one-hundredths per cent of all wages paid by him in employment subject to this act;

(b) For the year 1937, one and eighty-one hundredths per cent of all wages payable by him during such year with respect to employment subject to this act;

(c) For the year 1938 and thereafter, two and seventy one-hundredths per cent of all wages with respect to which contributions become due and payable for employment subject to this act.

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Sec. 44. Beginning on January 1, 1936, each worker, employed by an employer subject to this act, shall contribute to the fund one-half of one per cent of his wages paid by an employer with

respect to employment; and beginning on January 1, 1937, nine-tenths of one per cent of such wages and on and after January 1, 1938, and after his employer has satisfied the conditions set forth in this act with respect to becoming an employer, one per cent of such wages; except that the rate of contributions required of a worker shall not in any year exceed 50 per cent of the general rate required of employers. Each employer shall, notwithstanding any provisions of law in this State to the contrary, withhold in trust the amount of his workers' contributions from their wages at the time such wages are paid, shall show such deduction on his pay roll records, shall furnish each worker with a statement in writing showing the amount which has been deducted, in such form and at such times as the commission may prescribe, and shall transmit all such contributions to the fund, in addition to his own contributions, pursuant to regulations of the commission.

Contributions by workers, payable to the commission as herein provided, shall be exempt from garnishment, attachment, execution or any other remedy for the collection of debts.

Each employer shall be liable for any and all contributions required to be made by his workers on account of wages paid to them by such employer regardless of whether or not such employer shall have made a deduction on account thereof from the workers' wages at the time such wages were paid; provided, however, that no employer shall be liable for contributions required on behalf of himself or of any of his

employees with respect to wages payable or paid, as the case may require, while there is in effect at the time such wages became payable or were paid (whichever time is the time for determining contribution liability) a rule or regulation or interpretation of the commission or of the department that such wages were not subject to contributions imposed by this section. As used in this act, except when the context clearly requires otherwise, the term "contributions" shall include the contributions of workers pursuant to this section.

The commission or the department may prescribe the extent, if any, to which any rule, regulation of interpretation issued or promulgated in accordance with the provisions of this act shall be applied without retroactive effect.

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